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**UNITED STATES RECOVERS \$1.31 MILLION IN CIVIL DAMAGES
FROM COMPANIES THAT ALLEGEDLY DEFRAUDED
U.S. INTERNATIONAL AID PROGRAM**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, announced today that GA Paper International (USA) Inc. and Ramtech Overseas Inc. have agreed to pay a total of \$1.31 million to settle allegations that they defrauded the United States Agency for International Development ("USAID") while participating in USAID's Commodity Import Program. The civil suit filed by the United States alleges that the two companies knowingly submitted more than 100 false and inflated claims for reimbursement. The settlements were approved yesterday by United States District Judge WILLIAM H. PAULEY in Manhattan federal court.

Under USAID's Commodity Import Program, companies exporting goods to foreign nations--in this case Egypt--may apply to USAID for reimbursement of the cost of the commodity, freight, and insurance. In return, the Egyptian importer of the goods pays the same cost of the transaction into a USAID account in Egypt that funds economic development projects. This arrangement promotes trade and, at the

same time, generates funds to be used for economic development projects.

The Government's complaint alleges that the defendants violated the False Claims Act by knowingly submitting more than 100 false and inflated claims for reimbursement to USAID that overstated the charges actually incurred for freight and insurance. In some cases, defendants allegedly erased the actual charge that appeared on freight bills and typed in a different, inflated charge. It is further alleged that, as a result of the defendants' actions, federal funds that were budgeted for economic development projects abroad instead went to reimburse defendants for freight and insurance charges that they had not, in fact, incurred.

In settling the allegations, neither GA Paper International (USA) Inc. nor Ramtech Overseas Inc. admitted any wrongdoing or liability. Under the terms of the settlements, GA Paper International (USA) Inc. agreed to pay \$1.18 million and Ramtech Overseas Inc. agreed to pay \$130,000.

Mr. GARCIA stated: "We will not tolerate fraud or abuse in international aid programs supported by the United States, which serve such an important role in fostering goodwill and economic development around the world." Mr. GARCIA praised the assistance of the USAID Office of Inspector General in investigating the case.

Assistant United States Attorney DAVID J. KENNEDY is in charge of the case.

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